

AN ACT

RELATING TO DRAINAGE DISTRICTS, BY MODIFYING THE AMOUNT OF A BID SECURITY REQUIRED TO BE SUBMITTED BY BIDDERS PROPOSING TO MAKE IMPROVEMENTS AND MODIFYING THE THRESHOLD AMOUNT REQUIRING THE LETTING OF BIDS TO CONSTRUCT AN IMPROVEMENT, AND INCLUDING EFFECTIVE DATE PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 468.34, Code 2009, is amended to read as follows:

468.34 Advertisement for bids.

The board shall publish notice once each week for two consecutive weeks in a newspaper published in the county where the improvement is located, and publish additional advertisement and publication elsewhere as the board may direct. The notice shall state the time and place of letting the work of construction of the improvement, specifying the approximate amount of work to be done in each numbered section of the district, the time fixed for the commencement, and the time of the completion of the work, that bids will be received on the entire work and in sections or divisions of it, and that a bidder will be required to deposit ~~with the bid cash, a certified check on and certified by a bank in Iowa, or a certified share draft from a credit union in Iowa payable to the auditor or the auditor's order, at the auditor's office, in an amount equal to ten percent of the bid, in no case to exceed ten thousand dollars~~ a bid security with the county auditor as provided in section 468.35. All notices shall fix the date to which bids will be received and upon which the work will be let.

However, when the estimated cost of the improvement is less than ~~fifteen~~ twenty thousand dollars, the board may let the contract for the construction without taking bids and without publishing notice.

Sec. 2. Section 468.35, subsection 2, Code 2009, is amended to read as follows:

2. A bid shall be in writing, specifying the portion of the work upon which the bid is made, and filed with the auditor. The bid shall be accompanied with a bid security. The bid security shall be in the form of a deposit of cash, a certified check on and certified by a bank in Iowa, a certified share draft drawn on a credit union in Iowa, or a bid bond with a corporate surety satisfactory to the board as provided in section 73A.20. The bid security must be payable to the auditor or the auditor's order at the auditor's office in a sum equal to ~~ten~~ five percent of the amount of the bid, ~~but not to exceed ten thousand dollars.~~ However, if the maximum limit on a bid security would cause a denial of funds or services from the federal government which would otherwise be available, or if the maximum limit would otherwise be inconsistent with the requirements of federal law, the maximum limit may be suspended to the extent necessary to prevent denial of federal funds or services or to eliminate the inconsistency with federal requirements. The cash, check, or share draft of an unsuccessful bidder shall be returned, and the bid bond of an unsuccessful bidder shall be canceled. The bid security of a successful bidder shall be maintained as a guarantee that the bidder will enter into contract in accordance with the bids.

Sec. 3. Section 468.66, Code 2009, is amended to read as follows:

468.66 Bids required.

In case the board shall finally determine that any such changes as defined in section 468.62 shall be made involving an expenditure of ~~fifteen~~ twenty thousand dollars or more, the work shall be let by bids in the same manner as is provided for the original construction of such improvements.

Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of immediate importance, takes effect upon enactment.

PATRICK J. MURPHY
Speaker of the House

JOHN P. KIBBIE
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2273, Eighty-third General Assembly.

MARK BRANDSGARD
Chief Clerk of the House

Approved _____, 2010

CHESTER J. CULVER
Governor